

CLAUSE I-71 – LIMITATION OF PRICE AND SUBCONTRACTOR OBLIGATIONS (August 2002)

NOTE: This clause is applicable in solicitations, subcontracts and delivery orders when a multiyear subcontract or a multiyear Delivery Order is contemplated.

- (a) Funds available for performance are described in the Schedule. The amount of funds available at award is not considered sufficient for the performance required for any program year other than the first program year. When additional funds are available for the full requirements of the next succeeding program year, the Subcontracting Officer shall, not later than the date specified in the Schedule (unless a later date is agreed to), so notify the Subcontractor in writing. The Subcontracting Officer shall also modify the amount of funds described in the Schedule as available for subcontract performance. This procedure shall apply for each successive program year.
- (b) SURA is not obligated to the Subcontractor for any amount over that described in the Schedule as available for subcontract performance.
- (c) The Subcontractor is not obligated to incur costs for the performance required for any program year after the first unless and until written notification is received from the Subcontracting Officer of an increase in availability of funds. If so notified, the Subcontractor's obligation shall increase only to the extent subcontract performance is required for the additional program year for which funds are made available.
- (d) If this subcontract is terminated under the "Termination for Convenience of SURA" clause, "total subcontract price" in that clause means the amount available for performance of this subcontract, as in paragraph (a) above, plus the amount established as the cancellation ceiling. "Work under the subcontract" in that clause means the work under program year requirements for which funds have been made available. If the subcontract is terminated for default, SURA's rights under this subcontract shall apply to the entire multiyear requirements.
- (e) Notification to the Subcontractor of an increase or decrease in the funds available for performance of this subcontract under another clause (e.g., an "Option" or "Changes" clause) shall not constitute the notification contemplated by paragraph (a) of this clause.